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Medicaid: Challenges and Opportunities

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Connecticut Voices for Children

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www.ckidslink.org

HUSKY & Medicaid: Importance to the State

- 1 in 4 children enrolled in HUSKY
- With fewer employers providing health coverage, more families rely on HUSKY
- Medicaid & HUSKY provide critical funding for hospitals, clinics, doctors and local economies
- When families lose jobs they turn to Medicaid & HUSKY to access health care

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Financial Eligibility

Insurance	Population	Eligibility	Countable Assets
HUSKY A (Medicaid)	Children from birth to 19	Up to 185% FPL	Not considered
	Parents with children from birth to 19	Up to 185% FPL	Not considered
	Pregnant women	Up to 250% FPL	Not considered
	Children 19 and 20 y.o.	VERY low income limit varies by DSS regions	\$2,000 maximum

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Financial Eligibility

Insurance	Population	Eligibility	Countable Assets
HUSKY B (SCHIP)	Children from birth to 19	Income over 185% FPL	Not considered
Medicaid	Elderly and disabled (living in the community)	Receiving SSI (\$674/mo; \$1,011/mo/couple) or Social Security income below poverty threshold or receiving State Supplemental Assistance	\$1,600 individuals or \$2,400 for couples
Medicaid	Elderly and disabled (nursing home or waiver program)	Income below 300% of SSI (\$2,022/mo)	\$1,600 individuals or \$2,400 for couples
SAGA	Adults 21 to 65 years of age	Very low income limits (e.g., \$506.22/mo)	\$1,000 per family; car with equity less than \$4,500

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Financial Eligibility

Insurance	Population	Eligibility	Countable Assets
Charter Oak	19 to 64 not eligible for SAGA, Medicaid, HUSKY, Medicare	All incomes (subsidized premiums below 300% FPL)	Not considered



Spending on the Medicaid Population

	Proportion of Medicaid Population (FY 2005)	Proportion of Medicaid Spending (FY 2005)
Children	54%	16%
Non-elderly Adults	21%	7%
Elderly	12%	37%
Disabled	12%	40%



Source: Kaiser Family Foundation. "Connecticut Medicaid and SCHIP Data (FY 2005). Available at: www.statehealthfacts.org

Elderly and disabled comprise smallest share of Medicaid population but account for the majority of costs.

Sharp discrepancies between beneficiary groups

- Average annual spending per
 - elderly beneficiary: \$21,522
 - adult with disabilities: \$23,221
 - child: \$ 2,127
 - adult: \$ 2,421

The Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on FY 05 data from the Medicaid Statistical Information System (MSIS) reports from the Centers for Medicare and Medicaid Services (CMS), 2008.



Challenges: Eligibility Rules

- Complex Eligibility Rules
 - Almost 40 different ways to be eligible for Medicaid
- In 2003, we cut eligibility & benefits
 - Thousands became uninsured & lost access
 - Legislature reversed many of the changes after understanding the consequences
- Changing rules create lack of program stability, individuals go on & off, confusion for enrollees, providers, and others



HUSKY Lessons Learned: Enrollment & Retention

- Self-declaration of income*
- Presumptive eligibility for children and pregnant women
- Shortened, simplified application
- Friendlier messaging of program/changing name of program
- Increasing income limits
- Aligning income limits between children and parents
- Eliminated asset tests
- Eliminated or reducing cost-sharing (co-pays, premiums)*
- Lengthened renewal periods

* DSS 2009 budget options recommend roll-backs (again)



Opportunities: Enrollment & Retention

- Automatically enroll
- Implement "continuous eligibility"
- Utilize one updated computer system to determine eligibility and enroll participants
- Expand effective outreach strategies



Challenges: Provider Participation

- Provider participation is voluntary
- Insufficient number of providers
 - Low Medicaid reimbursement rates (In 2007 the fee schedule was raised for the first time in 20 years)
 - But most fees are far below Medicare rates
 - Particularly difficult to access specialty services



Opportunities: Provider Participation

- Simplify procedures for providers (e.g., simplifying credentialing process; use of electronic health records; use of telephonic or video consultants)
- Increase provider reimbursement fees (e.g., align with Medicare fees)
- Reward providers for improved access (e.g., 24/7 coverage) and patient health outcomes



Challenges: Lack of Resources & Transparency

- DSS is using legacy eligibility computer system
- DSS has limited resources to provide timely data collection and analysis on all aspects of the Medicaid program
- Medicaid Managed Care Council does not oversee fee-for-service program
- Medicaid budget doesn't distinguish between HUSKY managed care program & FFS

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Opportunities: Require accountability

- HUSKY Managed Care
 - What is the goal?
 - The program has changed a great deal since its inception in 1995
 - From 12 to 3 health plans
 - Behavioral health, dental and pharmacy are “carved out” from risk-based managed care
 - Primary Care Case Management – an alternative to health plans (pilot begins 2/09)
 - Doctors are paid a monthly fee rather than health plans to manage and coordinate care

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Opportunities: Require accountability

- How do we know if we are getting our money's worth?
 - HUSKY Health plans are paid a monthly per member fee
 - In 2007, 1 in 10 children ages 2 to 19 received no medical care (*these are children who were enrolled for 12 continuous months*)
 - Medicaid Fee For Service
 - What do we know?????



Medicaid Options & Waivers to Expand Coverage & Reduce Costs

- We have chosen a mix of options and waivers to expand coverage
- Waivers
 - Home & Community Based Waivers, Katie Beckett Waiver, DMR Waivers
- SAGA and Family Planning Waivers- not implemented but in state law
- Smoking Cessation Option – not implemented but in state law
- Medical interpretation – not implemented but in state law



Sources of Federal Funding

- Federal Funds (FY 2006: \$2.1 billion)
 - Medicaid: 50 cents reimbursement
 - SCHIP: 65 cents reimbursement
 - Disproportionate Share Hospital (DSH) Payments (FY 2008: \$188M)
- To save \$1 in state funds, we have to cut \$2 in Medicaid



Source: Kaiser Family Foundation. "Connecticut Medicaid and SCHIP Data (FY 2005). Available at: www.statehealthfacts.org

Opportunities: Federal Funding

- Maximize federal funding for current programs
 - SAGA (currently only receive federal funds for hospital services)
 - Charter Oak
 - DCF, DMHAS, DDS, DOE
 - Opportunities for further claiming of federal funds?



Opportunities: Federal Funding & Policy Changes

- Federal Stimulus Package likely to include
 - Increase federal matching funds (e.g., 4.9% increase)
 - CT's match would increase from 50% to 54.9%
 - \$\$ for electronic health records
- Loosening of rules
 - Citizenship documentation
 - Realign Medicaid waiver requirements with program improvements (not just saving federal government money)



Opportunities: Federal Funding

- SCHIP Reauthorization (pending)
 - SCHIP funds HUSKY B (up to 300% FPL)
 - House bill would cover legal immigrant children & pregnant women in US for fewer than five years on Medicaid & SCHIP
 - CT currently pays with state-only funds
 - Funding for medical interpretation services





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